

EXHIBIT 3



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April 13, 2001 (11:13AM)

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NUMBER OF PAGES SENT (INCLUDING COVER PAGE): 9

SPECIAL INSTRUCTIONS:

Attached is an advance copy of material prepared by Gary Amendola. We are providing this information with the understanding that you and your client will treat it as confidential information exchanged as part of confidential settlement discussions.

**Estimated Discharges of PCBs to the Fox River
1954 - 1985**

Estimated Mean PCB Discharges and Per Cent of Total Discharges

(Mean of 10,000 Model Runs)

Facility/Company	Estimated PCB Discharges	
	PCBs (lbs)	% of Total
<i>NCR Paper Coating Mills</i>		
NCR/Appleton Papers	128,429	24.5%
Appleton - Combined Locks	28,769	5.48%
Total: NCR/Appleton	157,198	30.0%
<i>Secondary Fiber Mills with Deinking Capability</i>		
Wisconsin Tissue Mills	54,325	10.3%
Fort James West (Fort Howard)	147,163	28.0%
P.H. Glatfelter Paper	146,658	27.9%
Riverside Papers	13,468	2.56%
<i>Secondary Fiber Mills without Deinking Capability</i>		
U.S. Paper Menasha Mill	2,417	0.46%
U.S. Paper DePere Mill	617	0.12%
Total: U.S. Paper	3,034	0.58%
Green Bay Packaging	9	0.002%
Kimberly-Clark Neenah & BG	774	0.15%
American Tissue Mills	2,641	0.50%
<i>Mills with no Significant Secondary Fiber Furnish</i>		
Proctor & Gamble Paper	0	0.0%
Fort James East (James River)	0	0.0%
Consolidated Papers	0	0.0%
Total - All Mills	525,270	

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Estimated PCB Discharges to the Fox River 1954 - 1985

Estimated PCB Discharges

(90% of 10,000 Model Runs Fall Within Stated Ranges)

Facility/Company	Estimated PCB Discharges (lbs)		Estimated PCB Discharges (Per Cent of Total)	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound
<i>NCR Paper Coating Mills</i>				
NCR/Appleton Papers	112,405	144,949	22.4%	27.0%
Appleton Combined Locks	16,288	42,826	6.61%	3.9%
Total: NCR/Appleton	128,693	187,775	29.0%	30.9%
<i>Secondary Fiber Mills with Deinking Capability</i>				
Wisconsin Tissue Mills	43,350	66,284	10.2%	10.4%
Fort James West (Fort Howard)	117,824	179,659	27.7%	28.3%
P.H. Glatfelter Paper	115,798	180,952	27.8%	27.9%
Riverside Papers	8,979	19,196	2.16%	2.96%
<i>Secondary Fiber Mills without Deinking Capability</i>				
U.S. Paper Menasha Mill	727	4,903	0.175%	0.757%
U.S. Paper DePere Mill	146	1,311	0.035%	0.202%
Total: U.S. Paper	873	6,214	0.21%	0.96%
Green Bay Packaging	8	10	0.002%	0.002%
Kimberly-Clark Neenah & BG	133	1,713	0.032%	0.26%
American Tissue Mills	383	5,951	0.092%	0.92%
<i>Mills with no Significant Secondary Fiber Furnish</i>				
Proctor & Gamble Paper	0	0	0.0%	0.0%
Fort James East (James River)	0	0	0.0%	0.0%
Consolidated Papers	0	0	0.0%	0.0%
Total - All Mills	416,041	647,754		

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April 9, 2001

Estimated PCB Discharges to the Fox River - Model Variables and Assumptions

Variable/Assumption	Range	Distribution	Basis
NCR paper production			
Appleton Papers - Appleton	1954 to 1971	NA	NCR 200297
Appleton - Combined Locks	1968 to 1971	NA	APX 0031637
Nekoosa - Port Edwards	1968 to 1970	NA	APX 0031637
Mead Paper	1954 to 1971	NA	NCR 200297, NCR 104361, GS 002304
Coating solution loss from NCR paper costing operations at Appleton Papers	1.0% to 3.0%	Log-normal maximum at 1.8%	RMT report for NCR/Appleton (August 2000): 1.4% stated as a probable maximum loss.
Generation of NCR paper broke at coating mills	9.5% to 11.7%	Uniform	Klass Associates review for P.H. Glatfelter (11/17/96): 2.0% to 3.0%. Production accounting sheets (APX0020801-20804) detail pounds of broke generated at NCR/Appleton Papers from 1966 to 1970, (average broke generation, 10.6%); AEI applied a range of $\pm 10\%$ to account for variability (9.5% to 11.7%); same broke generation rates used for each NCR paper coating mill.
Use of NCR paper broke generated at Appleton Papers and Combined Locks mills as furnish by Fox Valley mills with deinking capability	50% to 70%	Uniform	Proximity of mills to source of broke and waste paper brokers. Takes into consideration reports of PCB discharges from paper mills in <i>Kalamazoo River Study Group v. Rockwell International</i> (Civil Action No. 1:95-CV-838, WD Michigan; decision March 6, 1998). Range of 50% to 70% selected to represent likely recycle of NCR paper broke within the Fox Valley. Limited responses from paper brokers indicate NCR broke was sold to P.H. Glatfelter, Fort James, Wisconsin Tissue and Riverside Paper, all deink mills.

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Variable/Assumption	Range	Distribution	Basis
Use of NCR paper broke from Mead Paper as furnish at Fox Valley mills with deinking capability	5% to 10%	Uniform	Mead reports that due to shipping costs and market value, it would have been unusual for Mead to sell NCR broke to users located more than 100 miles from the point of origin (Chillicothe, Ohio). As of 1971, there were 11 deinking mills located closer to Chillicothe than to the Fox Valley. Mead reported shipments of broke to mills located on the Kalamazoo River and in the Fox Valley.
Use of NCR paper broke from Nekoosa - Port Edwards as furnish by Fox Valley mills with deinking capability	50% to 70%	Uniform	See above comments regarding Appleton Papers and Combined Locks broke.
Generation of NCR paper trim by paper converting facilities	10% to 25%	Uniform	08/26/98 correspondence from API to WDNR references several sources indicating a range from 10% to 20% for converter trim. API states that losses of NCR paper may have been closer to 20% to 30%, because of pressure sensitivity of the paper, custom settings of the machines, and smaller packaging. Range of 10% to 25% selected for analysis.
Use of NCR paper converter trim by Fox Valley mills	5% to 15%	Uniform	NCR paper converters distributed across US and Canada. Recycle of a high proportion of converter trim to the Fox Valley not likely.
Distribution of NCR paper broke to Fox Valley mills. Distribution of broke was done proportional to deink production.	Deink mills: 100% Other mills: 0%	Uniform	Assumption that deink mills were likely to process NCR paper broke. Record information shows brokers shipped NCR broke to P.H. Glatfelter, Wisconsin Tissue, Riverside Paper and Fort James. No evidence that NCR paper broke was used by Fox Valley secondary fiber mills without deinking capability.
Distribution of NCR paper converter trim to Fox Valley deink mills. Distribution was done proportional to deink production.	Deink mills: 90% ± 10%	Uniform	Assumptions: (1) most of the converter trim recycled to the Fox Valley went to mills with deinking capacity; and, (2) some converter trim may have been recycled through selected other secondary fiber mills. Other secondary fiber mills selected based on consideration of fiber furnish.
Distribution of NCR paper converter trim to selected other mills: U.S. Paper - Menasha; U.S. Paper - DePere; Kimberly Clark; and, American Tissue. Distribution was done proportional to fiber furnish.	Selected other mills: 10% ± 10%		

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Variable/Assumption	Range	Distribution	Basis
Partitioning of PCBs to product during fiber recycling at deink and non-deink mills	10% to 30%	Uniform	Institute of Paper Chemistry report (July 1977); "PCBs in Pulp & Paper Mills; Part II"; limited studies show 13.5% of PCBs in fiber furnish partitioned to finished product. 1977 Versar report states "most PCBs exit with the product" Valley Report (1990), "Sources of PCB Contamination in the Kalamazoo River"; assumption that 10% of PCBs incorporated into products. Range of 10% to 30% selected to reflect high degree of uncertainty and lack of data.
PCB loss from P.H. Glatfelter Arrowhead Landfill	3.9% to 5.9%	Uniform	ERM report (April 1999), "Evaluation of PCB loss at Arrowhead Park Landfill"; shows sediment loss of 2.5% PCBs from the landfill. Review of information and data presented in ERM report suggest loss of sludge from landfill could have been in the range of 4.9% with alternate assumptions. Range of 3.9% to 5.9% selected for analysis.
City of Appleton sewer system bypasses	Variable yearly ±10%	Uniform	Estimates made by WDNr (04/98, Dale Patterson); supporting data for WDNr Technical Memorandum 2d.
City of Appleton POTW TSS removal	1954 to 1971 ±10%	Normal	Estimates made by WDNr (02/7/99), "Work Activities Related to Technical Memorandum 2d" (Jim Withuhn, WDNr); review of historical data and records to estimate removal efficiencies. Estimates by RMT (August 2000) are close to those made by WDNr except for 1969 (see below).
	1969: 63% to 77%	Uniform	

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Variable/Assumption	Range	Distribution	Basis
Paper mill wastewater treatment TSS/PCB removal (where site-specific TSS data not available)			Industrial Environmental Control, Pulp and Paper Industry,
Primary treatment			
Deink mills	60% to 74%	Uniform	
Linerboard mills	80% to 90%	Uniform	
Fine paper mills	82% to 92%	Uniform	
Tissue mills	85% to 95%	Uniform	
Primary and Secondary Treatment	85% to 95%	Uniform	
POTW wastewater treatment TSS/POTW removal (where site-specific TSS data not available; applicable to DePere POTW only)			
Primary treatment	65% to 75%	Uniform	
Primary and secondary treatment	85% to 90%	Uniform	

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**Fort Howard Treatment System
Pulping & Deinking Mills Wastewater**

Year	Fiber Retention	# of Data Pts	Source
1954 to 1972: Settling Ponds (5)			
1954	92.3%	194	FH020075-020079
1955	91.0%	199	FH020072-020075
1956	93.9%	189	FH020068-020072; FH008802
1957	94.1%	203	FH008797-008802
1958	94.2%	181	FH008793-008797
1959	93.8%	192	FH008789-008793
1960	93.4%	44	FH008788
1961	94.3%	201	FH008783-008788
1962	91.7%	189	FH008778-008783
1963	90.8%	187	FH008774-008778
1964	89.3%	194	FH008769-008774
1965	89.4%	155	FH008766-008769
1966	90.5%	43	FH008740
1967	92.8%	248	FH008740-008746
1968	90.6%	240	FH008746-008752
1969	92.5%	12 mo avg	FH008732-008737
1970	91.1%	12 mo avg	FH008725-008732
1971	91.7%	12 mo avg	FH008713-008724
1972	90.8%	12 mo avg	FH008457-008474

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Fort James Green Bay West Fiber Furnish

	Paper Production	Reported secondary fiber deinked	Estimated secondary fiber not deinked	Reported Mechanical pulp processed	Source(s)
Year	tons/year	tons/year	tons/year	tons/year	
1954	68,985			5,475	FH021745R
1955	72,562			4,490	FH021745R
1956	79,063			3,745	FH021745R
1957	103,638			4,391	FH021745R
1958	105,292			4,468	FH021745R
1959	110,858			4,975	FH021745R
1960	122,640			4,636	FH021745R
1961	126,911			3,796	FH021745R
1962	133,176			3,720	FH021752
1963	136,524			4,092	FH021753
1964	143,100			3,555	FH021755-21759
1965	161,972			5,952	FH021762;21767
1966	175,396				FH021767
1967	181,792				FH021767
1968	192,748				FH021767
1969	214,236				FH021767
1970	220,388				FH021767
1971	227,986				FH021767
1972	240,731				FH021767
1973	281,168				FH021767
1974	282,599				FH021767
1975	285,365				FH021767
1976	297,308				FH021767
1977	307,530				FH021767
1978	314,410				FH021767
1979	298,895				FH021767
1980	309,328				FH021767
1981	311,588				FH021767
1982	305,312				FH021767;21306R
1983	314,726				FH021767;21306R
1984	335,171				FH021767;21306R
1985	358,694				FH021767;21306R
Total			595,749	53,295	

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